

**ASSEMBLY BILL**

**No. 776**

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**Introduced by Assembly Member Salas**

February 26, 2009

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An act to add Section 988.6 to the Military and Veterans Code, relating to veterans.

LEGISLATIVE COUNSEL'S DIGEST

AB 776, as introduced, Salas. Veterans.

Under existing law, the Department of Veterans Affairs has specified powers and duties relating to veterans, including the administration of the CalVet Home Loan program, which helps fund the purchase of homes and farms for eligible veterans with the proceeds from tax-exempt bonds. Existing federal law requires the proceeds from certain tax-exempt bonds to be used for the acquisition of a single-family residence, as provided.

This bill would require the department to urge the Congress of the United States to act immediately to remove this requirement from federal law, as specified, so that the proceeds from the bonds can be used for other types of housing.

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

- 1 SECTION 1. Section 988.6 is added to the Military and
- 2 Veterans Code, to read:
- 3 988.6. The department shall urge the Congress of the United
- 4 States to act immediately to remove the provisions in Section 143

- 1 of the Internal Revenue Code that requires the proceeds from
- 2 qualified veterans' mortgage bonds to be used only for the
- 3 acquisition of a single-family residence, so that the proceeds from
- 4 the bonds can be used for other types of housing.